



Tax Tips For Students

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Taxable Income For Students



The following kinds of income often received by students are generally taxable:

- Pay for services performed
- Self-employment income
- Investment income
- Certain scholarships and fellowships



Forms & Publications that Students May Need to File



Forms (and Instructions)

- [1040EZ](#) Income Tax Return for Single and Joint Filers With No Dependents
- [Schedule C-EZ \(Form 1040\)](#) Net Profit From Business (Sole Proprietorship) and Instructions
- [Form 8863 \(PDF\)](#), Education Credits (Hope and Lifetime Learning Credits)

Forms & Publications that Students May Need to File



Publications

- Publication 17, Your Federal Income Tax
- Publication 501, Exemptions, Standard Deduction, & Filing Information
- Publication 505, Tax Withholding & Estimated Tax
- Publication 525, Taxable & Nontaxable Income
- Publication 531, Reporting Tip Income
- Publication 919, How Do I Adjust My Tax Withholding?
- Publication 970, Tax Benefits for Education
- Publication 929, Tax Rules for Children & Dependents

Help on the Web

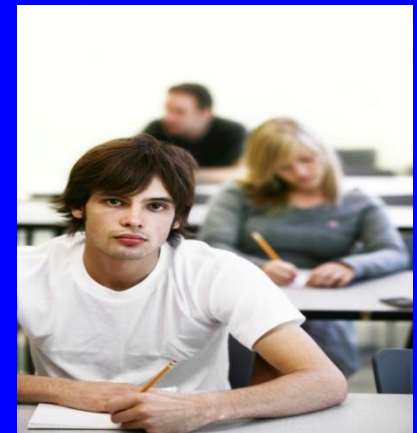


Are you considering attending a college or career school? Which one to attend is one of the most important decisions you need to make. Another is how you're going to pay for your education. To help you, the U.S. Department of Education offers a variety of student financial aid programs.

A helpful website for students is:

<http://www.students.gov/STUGOVWebApp/index.jsp> for more related

information including planning and paying for your education.



Student Loan Interest



- Liberty Tax Service reminds you that taxpayers repaying a student loan (or education loan) may qualify to deduct up to \$2,500 of their student loan interest as an adjustment to income.
- There are AGI limitations which determine deductibility.



Tuition and Fees Deduction



- Qualifying higher education expenses such as tuition and fees you paid for yourself, a spouse, or a dependent may be deductible. Up to \$4,000 of these expenses can be deductible as an adjustment to income.
- The taxpayer cannot claim both this deduction and an education credit for the same student in the same year.

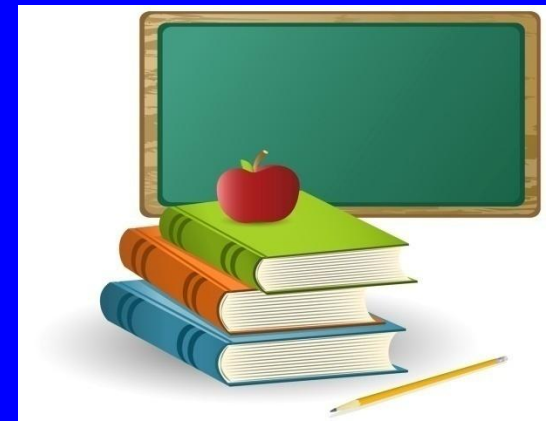
Lifetime Learning Credit



The Lifetime Learning Credit gives a credit of 20% of qualified educational expenses not exceeding \$10,000, for a maximum credit of \$2,000.

This credit is for payments made for qualified tuition and related expenses for post-secondary education.

This is a **nonrefundable** credit.



American Opportunity Credit



New for 2009 and 2010

The maximum credit is \$2,500 (100% of the first \$2,000, 25% of the next \$2,000) for tuition and related expenses. The cost of books can be included.

- 40% is a refundable credit
- Subject to AGI phase out

This credit replaces the Hope Credit and can be claimed for **four post-secondary** education years instead of **two**.



Economic Stimulus Will Boost Allowable 529 Expenses

- **For parents paying college expenses, more college expenses are now allowed with 529 Plans:**
- Computers and computer technology will be allowed as qualified purchases paid by 529 college savings plans.



Internship Opportunities



- Liberty Tax Service offers internships in tax preparation and marketing. If you're interested in getting real life experience and credit, please stay after this class.

Good Luck to You!

In your academic endeavors and
professional pursuits!





Questions?



- Liberty Tax Service has 3,300 offices in U.S. and 250 in Canada.
- 866-871-1040 rings into the nearest office from a landline phone.
- Visit www.libertytax.com for the latest company news.

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Thank You

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